

AGENDA



Date: February 7, 2020

A meeting of the Supplemental Police and Fire Pension Fund Board of Trustees will be held at **8:30 a.m. on Thursday, February 13, 2020, in the Second Floor Board Room at 4100 Harry Hines Boulevard, Dallas, Texas.** Items of the following agenda will be presented to the Board:

A. CONSENT AGENDA

Approval of Minutes

Regular meeting of January 9, 2020

B. DISCUSSION AND POSSIBLE ACTION REGARDING ITEMS FOR INDIVIDUAL CONSIDERATION

Quarterly Financial Statements

The term "possible action" in the wording of any Agenda item contained herein serves as notice that the Board may, as permitted by Texas Government Code, Section 551, in its discretion, dispose of any item by any action in the following non-exclusive list: approval, disapproval, deferral, table, take no action, and receive and file. At the discretion of the Board, items on this agenda may be considered at times other than in the order indicated in this agenda.

At any point during the consideration of the above items, the Board may go into Closed Executive Session as per Texas Government Code, Section 551.071 for consultation with attorneys, Section 551.072 for real estate matters, Section 551.074 for personnel matters, and Section 551.078 for review of medical records.

**Dallas Police and Fire Pension System
Thursday, January 9, 2020
8:30 a.m.
4100 Harry Hines Blvd., Suite 100
Second Floor Board Room
Dallas, TX**

Supplemental meeting, William F. Quinn, Chairman, presiding:

ROLL CALL

Board Members

Present at 8:30 a.m.: William F. Quinn, Nicholas A. Merrick (by phone), Joseph P. Schutz, Susan M. Byrne, Robert B. French, Steve Idoux, Gilbert A. Garcia, Mark Malveaux, Armando Garza, Allen R. Vaught, Tina Hernandez Patterson

Absent: None

Staff

Kelly Gottschalk, Josh Mond, Kent Custer, Brenda Barnes, John Holt, Damion Hervey, Cynthia Thomas, Ryan Wagner, Greg Irlbeck, Michael Yan, Milissa Romero

Others

Scott Freeman, David Elliston

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The meeting was called to order at 8:30 a.m.

The meeting was recessed at 8:30 a.m. and reconvened at 12:28 p.m.

Mr. Garcia and Mr. French were not present when the supplemental meeting reconvened.

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CONSENT AGENDA

1. Approval of Minutes

Regular meeting of December 12, 2019

2. Approval of Estate Settlements

**Supplemental Board Meeting
Thursday, January 9, 2020**

CONSENT AGENDA (continued)

After discussion, Ms. Byrne made a motion to approve the minutes of the meeting of December 12, 2019. Mr. Schutz seconded the motion, which was unanimously approved by the Board.

After discussion, Ms. Byrne made a motion to approve the remaining items on the Consent Agenda, subject to the final approval of the staff. Mr. Schutz seconded the motion, which was unanimously approved by the Board.

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Ms. Gottschalk stated that there was no further business to come before the Board. On a motion by Mr. Schutz and a second by Ms. Hernandez Patterson, the meeting was adjourned at 12:29 p.m.

William F. Quinn
Chairman

ATTEST:

Kelly Gottschalk
Secretary



DISCUSSION SHEET
Supplemental

ITEM #B

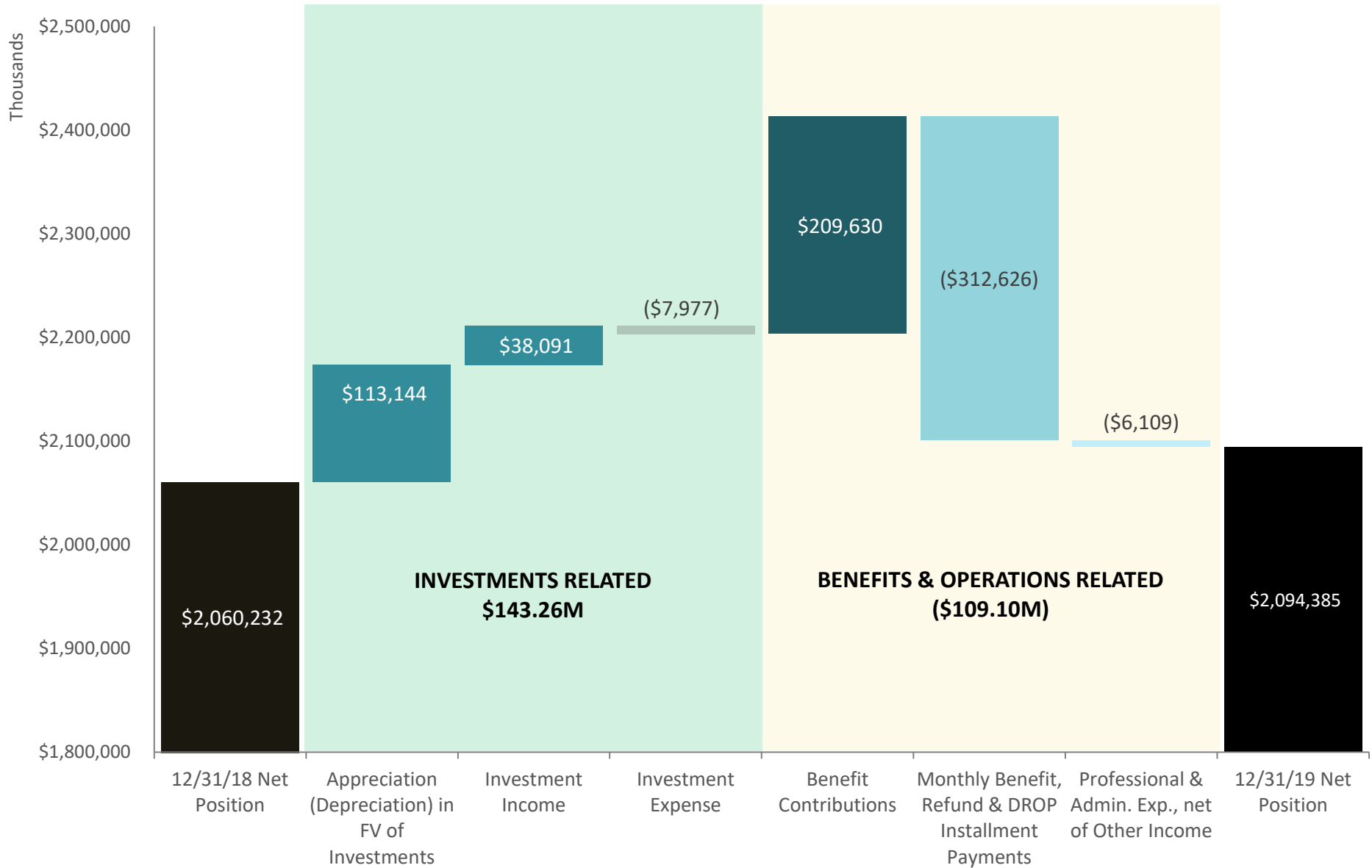
Topic: **Quarterly Financial Reports**

Discussion: The Chief Financial Officer will present the fourth quarter 2019 financial statements.

Supplemental Board Meeting – Tuesday, February 13, 2020

Change in Net Fiduciary Position

December 31, 2018 – December 31, 2019 - PRELIMINARY



Components may not sum exactly due to rounding.

DALLAS POLICE & FIRE PENSION SYSTEM
Combined Statements of Fiduciary Net Position

	PRELIMINARY			
	December 31, 2019	December 31, 2018	\$ Change	% Change
	(unaudited)	audited		
Assets				
Investments, at fair value (NOTE)				
Short-term investments	\$ 25,311,029	\$ 41,316,915	\$ (16,005,886)	-39%
Fixed income securities	555,703,407	515,774,800	39,928,607	8%
Equity securities	555,230,589	435,935,015	119,295,574	27%
Real assets	559,667,854	701,404,875	(141,737,021)	-20%
Private equity	292,802,830	312,874,801	(20,071,971)	-6%
Alternative investments	-	-	-	0%
Forward currency contracts	652,498.00	(270,709)	923,207	-341%
Total investments (NOTE)	1,989,368,207	2,007,035,697	(17,667,490)	-1%
Invested securities lending collateral	13,025,117	20,559,431	(7,534,314)	-37%
Receivables				
City	3,035,500	2,504,571	530,929	21%
Members	1,055,869	803,245	252,624	31%
Interest and dividends	4,459,663	4,802,419	(342,756)	-7%
Investment sales proceeds	52,570,414	34,231,149	18,339,265	54%
Other receivables	186,104	292,776	(106,672)	-36%
Total receivables	61,307,550	42,634,160	18,673,390	44%
Cash and cash equivalents	90,461,720	50,137,929	40,323,791	80%
Prepaid expenses	402,596	365,515	37,081	10%
Capital assets, net	12,328,774	12,488,943	(160,169)	-1%
Total assets	\$ 2,166,893,964	\$ 2,133,221,675	\$ 33,672,289	2%
Liabilities				
Payables				
Securities lending obligations	13,025,117	20,559,431	(7,534,314)	-37%
Securities purchased	54,957,185	48,598,173	6,359,012	13%
Accounts payable and other accrued liabilities	4,526,881	3,832,048	694,833	18%
Total liabilities	72,509,183	72,989,652	(480,469)	-1%
Net position				
Net investment in capital assets	12,328,774	12,488,943	(160,169)	-1%
Unrestricted	2,082,056,007	2,047,743,080	34,312,927	2%
Net position held in trust - restricted for pension benefits	\$ 2,094,384,781	\$ 2,060,232,023	\$ 34,152,758	2%

(NOTE) Private asset values have not yet been reported for Q4 19. Values will be updated as final reporting is received.

DALLAS POLICE & FIRE PENSION SYSTEM
Combined Statements of Changes in Fiduciary Net Position

	PRELIMINARY			
	12 Months Ended	12 Months Ended		
	12/31/2019	12/31/2018		
	(unaudited)	(audited)	\$ Change	% Change
Contributions				
City	\$ 157,251,349	\$ 151,335,850	\$ 5,915,499	4%
Members	52,378,953	49,406,142	2,972,811	6%
Total Contributions	<u>209,630,302</u>	<u>200,741,992</u>	8,888,310	4%
Investment income				
Net appreciation (depreciation) in fair value of investments (NOTE)	113,144,140	6,475,020	106,669,120	1647%
Interest and dividends	37,976,218	45,066,051	(7,089,833)	-16%
Total gross investment income	151,120,358	51,541,071	99,579,287	193%
less: investment expense	(7,977,462)	(8,089,583)	112,121	1%
Net investment income	<u>143,142,896</u>	<u>43,451,488</u>	99,691,408	229%
Securities lending income				
Securities lending income	847,622	312,393	535,229	171%
Securities lending expense	(733,169)	(200,479)	(532,690)	266%
Net securities lending income	<u>114,453</u>	<u>111,914</u>	2,539	2%
Other income	359,569	479,376	(119,807)	-25%
Total additions	<u>353,247,220</u>	<u>244,784,770</u>	108,462,450	44%
Deductions				
Benefits paid to members	310,008,100	297,154,779	12,853,321	4%
Refunds to members	2,618,229	2,634,547	(16,318)	-1%
Legal expense	628,911	673,182	(44,271)	-7%
Legal expense reimbursement	(58,584)	(294,183)	235,599	-80%
Legal expense, net of reimbursement	<u>570,327</u>	<u>378,999</u>	191,328	50%
Staff Salaries and Benefits	3,410,065	2,990,341	419,724	14%
Professional and administrative expenses	2,487,741	2,544,704	(56,963)	-2%
Total deductions	<u>319,094,462</u>	<u>305,703,370</u>	13,391,092	4%
Net increase (decrease) in net position	<u>34,152,758</u>	<u>(60,918,600)</u>		
Beginning of period	2,060,232,023	2,121,150,623		
End of period	<u>\$ 2,094,384,781</u>	<u>\$ 2,060,232,023</u>		

(NOTE) Private asset values have not yet been reported for Q4 19. Values will be updated as final reporting is received.

